

**REPORT TO THE GOVERNOR OF THE
Military Base Planning Council
Lieutenant Governor Rebecca S. Skillman, Chair**

The following report is being submitted pursuant to IC 4-3-21, Chapter 21 Military Base Planning Council, Sec 12.

The Military Base Planning Council (MBPC) was created through IC 4-3-21-3. It seeks to improve mission efficiencies and enhance the long term potential of U.S. government military installations in Indiana. In addition, the MBPC works closely with the community to address issues such as encroachment on military bases and identifies opportunities for collaboration among state government and members of the entire defense industry such as military contractors, academic institutions and political subdivisions.

The MBPC has met two times since its creation and the following report has been compiled to reflect the organization's activity.

December 15, 2005 Meeting

The Council met on December 15, 2005 at Ivy Tech State College in Bloomington. The following members were present:

Members Present:

Cyle Beekman, Bedford City Council
Donald Bowling, Mayor, City of Loogootee
Michael Dant, Martin County Commissioners
Ken Gremore, Greene County Council
Lonnie Hawkins, Martin County Council
Joe Klumpp, Mayor, City of Bedford
Eric Koch, State Representative, District 65
Nigel Lehman, Linton City Council
Peggy Welch, State Representative, District 60

Proxies Present for Members:

Brigadier General Clif Tooley, Indiana National Guard present for Major General Martin Umbarger
Valerie Luchauer, Lawrence County Commissioners present for Janie Craig-Chenault

Others Present:

Kathy Altman, Agri-Business Consulting
Gary Ayers, Science Applications International Corp.
Brian Blackwell, Crane
Steve Bryant, Bloomington Life Sciences Partnership
Jerry Conover, Indiana University-Indiana Business Research Center

John Corcoran, South Central WIB, Inc.
Lynn Coyne, Indiana University
Mike Gentile, Crane Technologies Inc.
Lee Marchant, LJM Enterprises
Mike Mitchell, Crane
Paul Mitchell, Office of Federal Grants and Procurement-Governor's Office
Christine Nolan, Purdue University- Center for Regional Development
Joe Pearson, Purdue University- Center for Regional Development
Joyce Poling, Monroe County Commissioners
Dave Reece, Crane Technologies Inc.
David Sabbagh, Bloomington City Council
James Schonberger, EG&G
Marilyn Skirvin, Bloomington Economic Development Corp.
Betsy Villwock, Lieutenant Governor's Office
Ron Walker, City of Bloomington Director of Economic Development
Captain Mark Welsh, Crane
Kirk White, Indiana University
Linda Williamson, Bloomington Economic Development Corp.

Meeting Report

Lieutenant Governor Skillman called the meeting to order and introductions were made. During introductions she discussed the announcement made the previous day about the creation of a new Indiana Office of Energy and Defense Development. John Clark, senior advisor to the Governor, was named as the director of the OED. The Lt. Governor went on to give the background behind creating the Military Base Planning Council, as well as, the mission of the council.

The Council received the following reports but took no action thereon:

1. BRAC Update: Dave Reece with Crane Technologies Inc. gave an update on the BRAC Commission recommendations. He also discussed key events during the BRAC process, lessons the advocates learned and opportunities to capitalize on during the ongoing advocacy efforts for Crane. Then Captain Mark Welsh discussed Crane's strategic plan and areas of focus.

2. Regional Initiatives: (Governor's Office) John Clark talked about the State's plan of action post-BRAC. The creation of the new Office of Energy and Defense Development will be a leading advocate to increase economic development in and around Indiana's Military Bases. Paul Mitchell discussed Department of Labor and Defense Office of Economic Adjustment monies that will be coming into Indiana. Currently, DOL and OEA grants are in the planning phase. However, Indiana could be receiving more federal dollars this spring for implementation. (BEDC) Linda Williamson and John Corcoran spoke briefly about the strategic skills initiative and the implementation of its three phases. At this point in time, they are working to identify occupational and skill shortages. Before the initiative is complete, they will have determined root causes for the shortages, as well as, develop solutions to the cause of the shortage. For more information about the Strategic Skills Initiative, please contact John Corcoran at corcoranjfc@msn.com or see the following website: <http://www.in.gov/dwd/employers/ssi.html>. Jerry Conover and Christine Nolan addressed the

study being conducted by Purdue University's Center for Regional Development and Indiana University's Business Research Center. The overall goal of the study is to develop a database and methodology to help rural areas determine economic growth opportunities and strategies. The Crane region will be acting as the study's pilot region.

3. Military Base Planning Council Makeup: Representatives Eric Koch and Peggy Welch discussed how Crane affects the surrounding counties economies. The discussion continued with how the make up of the council does not currently include three of the counties surrounding, in which Crane has a significant dollar impact, as well as, a large Crane employee base. It was mentioned that in the future the MBPC may want to consider expanding to include the counties of Orange, Monroe, and Daviess. They talked about other possible additions to include on the council would be: Workforce Development, Indiana Economic Development Corporation, and Indiana Department of Homeland Security.

December 20, 2006 Meeting

The Council met on December 20, 2006 at Naval Surface Warfare Center, Crane. The following members were present:

Military Base Planning Council Members:

Donald Bowling, Mayor, City of Loogootee
Lonnie Hawkins, Martin County Council
Stephanie Yager, Brown County Commission
Joyce Poling, Monroe County Commissioner, President
John Waterman, State Senator, District 39
Bruce Borders, State Representative, District 45
David Crooks, State Representative, District 63
Eric Koch, State Representative, District 65
John Clark, Office of Energy and Defense Development

Proxies Present for Members:

Brigadier General Clif Tooley, Indiana National Guard present for Major General Martin Umbarger
Tom Linson, Indiana Department of Environmental Management present for Tom Easterly
Steve Smith, Indiana Department of Transportation present for Karl Browning

Others Present:

Captain Mark Welsh, NSWC Crane
Jason Lovell, Office of Energy and Defense Development
Gene McCracken, Lawrence County Economic Growth Council
Ron Arnold, Daviess County Economic Development Corporation
Jerry Ott, Martin County Economic Development
Gary Shelley, Bloomington Economic Development Corporation
Judy Gray, Orange County Economic Development Partnership

Charlie Nemfakos, ESOP Advisors
Roger Neece, ESOP Advisors
Thayr Richey, SDG
Jim Schoenberger, Crane Technologies Inc.
Mike Gentile, Crane Technologies Inc.
Dave Reece, Crane Technologies Inc.
Nyle Rieggle, Crane Technologies Inc.
Larry Nash, Crane Technologies Inc.
Eric Burch, Office of Energy and Defense Development
Lynn Boese, Department of Defense, Office of Economic Adjustment
Bill Austin, Brown County Commission
Jeff Quyle, Hoosier Energy
Vern Tincher, State Representative, House District 46
Don Peters, Nexpointe Strategies
Kurt Luidhardt, Nexpointe Strategies
Mike Foster, NSWC Crane
Chris Jensen, Lt. Governor's Office

Meeting Report

The Lt. Governor briefed the Council on the background and mission of the Military Base Planning Council. Representative Eric Koch informed council members of the Legislature's approval of expansion of the council into three additional counties: Monroe, Daviess and Orange.

The Council received the following reports but took no action thereon:

1. Update on the Office of Energy & Defense Development (OED): Jason Lovell gave a year-end review of the new office. OED has been aggressive in positioning Indiana to supply the military with alternative fuel, particularly for jet fuel. Indiana is hoping that Crane can play a vital role in the development of this project. OED also led 50 business, education and government leaders to Crane on a promotional trip in November of 2006. OED plans to replicate similar trips to other key defense assets such as Camp Atterbury and MUTC, but specifically will grow its interest in directly assisting Hoosier companies do business with DOD and DHS. In 2006, OED began offering consulting services or technical assistance to defense-related companies and hopes to add programming such as education and networking to its 2007 goals. Lovell also discussed OED's efforts in broadening existing relationships with groups such as the Indiana Defense and Homeland Security Working Group, the Military Base Planning Council, Indiana's congressional delegation and other related agencies at the State of Indiana.

2. State-wide study of Indiana's Defense Assets: Jason Lovell briefed the council on OED's State Defense Asset Study, funded by BRAC DOL assistance. The state has launched a new initiative aimed at helping Hoosier companies to capture a growing share of federal funding, with a special focus on the U.S. Departments of Defense, Homeland Security and NASA. The state is working with the Central Indiana Corporate Partnership (CICP) and a coalition of corporate and university leaders to drive the initiative. Preliminary research from the project shows that in 2005, nearly 1,500 Indiana companies were prime contractors to DOD and NASA, with contracts valued at \$4.5 billion dollars. As of 2005, Indiana ranked 17th in the US for attracting federal

contract dollars. Lovell also encouraged council members to invite defense companies in their communities to visit: www.indianadefensesurvey.com and volunteer information about the nature of business they conduct with DOD, DHS and/or NASA.

3. Camp Atterbury and Muscatatuck: BG Clif Tooley introduced the council to the Muscatatuck Urban Training Center (MUTC), as a new partner to the MBPC. BG Tooley explained that the MUTC is a consortium of governmental, public and private entities that are pooling their unique capabilities together in order to provide the most realistic training experience possible. This training can be tailored to replicate both foreign and domestic scenarios and is already being used by various civilian and military organizations. Among the many upcoming training exercises scheduled is one particular major event to take place in May of 2007, called Ardent Sentry. Ardent Sentry will role-play a 10KT improvised nuclear device detonating in a densely populated metro area with Indianapolis serving as the model (Atterbury, MUTC and other sites around the state will also play). This will be a Homeland Defense (not Homeland Security) exercise that has been directed by the White House and DOD will carry out with a budget of \$50M. There will be significant economic impact to the area and the State. It is a first-time, full-up, live rehearsal of the entire federal government's response system and is to be a highly visible event.

4. Crane briefing: Sue Webster presented Naval Surface Warfare Center Crane's various community outreach and support initiatives. Those include numerous charitable contributions such as the Red Cross, Toys for Tots, scholarships; support for local organizations, and school partnership programs. Sue also explained Crane's public program that allows industry and academia the opportunity to utilize the expertise and facilities available on the base.

5. Crane Diversification Study: ESOP Advisors' Roger Neece and SDG's Thayr Richey provided the council with an update on the Economic Diversification Study of the NSA Crane Area Economy. This effort, funded by the DOD's Office of Economic Adjustment (OEA) to lessen the impact from decreased employment due to BRAC, is a critical step in Crane's post-BRAC future. Specifically, this study seeks to develop a plan or roadmap that regional leaders can use to focus their overall economic strategies. The presentation included a discussion on the strategies that the study will use as well as early employment and workforce data that is serving as the basis for much of the research.

6. Briefing on Technology Park at West Gate: Jim Schoenberger updated council members on the current status of the certified West Gate at Crane Tech Park. The park, which broke ground in summer of 2006, will be located approximately 2 miles from the SR 231 and the proposed I-69 interchange. Early occupants include the Crane Federal Credit Union and EG&G by early 2007. Finally, Carmel-based Throgmartin-Henke has been chosen as the principal developer for the overall project.